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BREAKING THE CYCLE
THE SECOND PROGRESS REPORT

Ontario's Poverty Reduction Strategy
2010 Annual Report

Ontario

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Minister's Message

Two years ago, Ontario released the first Poverty Reduction Strategy in the province's history. For the first time, Ontario formally recognized that child poverty is not acceptable. In order to enshrine our commitment to poverty reduction in law, we introduced legislation that passed with all-party support. As Minister of Children and Youth Services, I am privileged to lead our government's ambitious plan to reduce poverty in Ontario, and fulfill the vision we all share of a province in which everyone – regardless of his or her background or circumstances – has the opportunity to succeed.

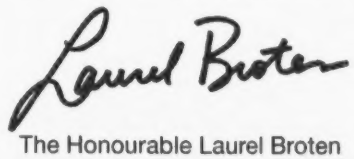
Not only is poverty morally unacceptable, as a province we quite simply cannot afford it. We cannot afford to ignore the lost potential of children growing up in poverty and its broader impact on us all. We strategically targeted our efforts to strike at the roots of poverty because we believe that children should have the opportunity to succeed and contribute. We believe in reducing barriers and working together to build a stronger Ontario.

As I reflect on the global recession of the last two years, the importance of our Poverty Reduction Strategy is made only more evident and our commitment more crucial. The global economic downturn has hurt Ontario families. However, over the last two years, we have taken critical steps to help families get back on their feet and made strategic investments in our children and our economy to fuel the recovery and build a prosperous and thriving province for our future. Without these investments, we know that the impact of the recession would have been greater.

Many of these investments are already making a difference. Children and families are benefiting from new education, health care and early development programs. Thousands of Ontarians have taken advantage of new opportunities to prepare for and find employment, and many have received vital financial support and tax relief in the face of the economic downturn felt here in Ontario and around the world. Much of this work is not yet fully reflected in our baseline income indicators, reported for the first time this year because of Statistics Canada's two year data lag. However, we know that the combined investments have meant real change for Ontario families. For example, a single mom with a young child working full time at minimum wage now lives above the poverty line. This is progress we are proud of.

As we forge ahead, we will continue to invest in our children and build on the province's foundational initiatives, like Full-Day Kindergarten, child care and the Ontario Child Benefit. We will continue to invest in our public education system and our postsecondary schools because we know that education increases the potential for prosperity. And, we will continue to reduce barriers, streamline our social services and develop strong, integrated and supportive communities. Long-term poverty reduction is a shared responsibility that requires all hands on deck. We continue to call on the federal government to play its vital role, and encourage all Ontarians to recognize that each of us has the opportunity to make a difference.

I want to congratulate Premier McGuinty, the Honourable Deb Matthews, and my colleagues at the Results Table for championing poverty reduction in this province, and I would like to thank the thousands of individuals and organizations who contribute to the fulfillment of this vision every day. In that spirit, I am pleased to present this report on the first two years of Ontario's five year Poverty Reduction Strategy, and look forward to achieving continued success over the next three years.



The Honourable Laurel Broten
Minister of Children and Youth Services

Ontario's Poverty Reduction Strategy

The roots of poverty are complex and the task of reducing poverty in Ontario is multi-faceted and challenging. Ontario's Poverty Reduction Strategy sets out a cohesive, integrated and comprehensive plan designed to address the needs of Ontario children and build structures necessary to break the cycle of poverty.

Ontario is focusing first on children and their families, with the goal of reducing the number of children living in poverty by 25 per cent over five years. Our plan is about believing in the potential of all Ontarians and putting programs and supports in place so we can grow, succeed and contribute our best. It was developed based on values of inclusiveness and with the goals of increasing opportunities and reducing barriers.

All children should have what they need for the best possible start in life:

- High-quality early learning and child care
- Opportunities for educational achievement and success in later life
- Families that have the resources and tools to support their children's well-being

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All Ontarians should have the opportunities and tools they need to succeed:

- Tax relief for Ontarians
- Access to jobs and a path out of unemployment
- Fair minimum wages and working conditions
- Safe and affordable housing

Strong economic and social foundations are critical to a prosperous and healthy Ontario:

- A growing economy that provides jobs and builds futures for all Ontarians
- Strong communities and community-based services
- A not-for-profit sector that is valued and supported

Poverty affects all of us and poverty reduction requires that all of us play a role. The Ontario government acknowledges with gratitude the many partners – individuals, organizations and communities across the province – who are making a difference every day and helping us realize the vision of Ontario's Poverty Reduction Strategy.

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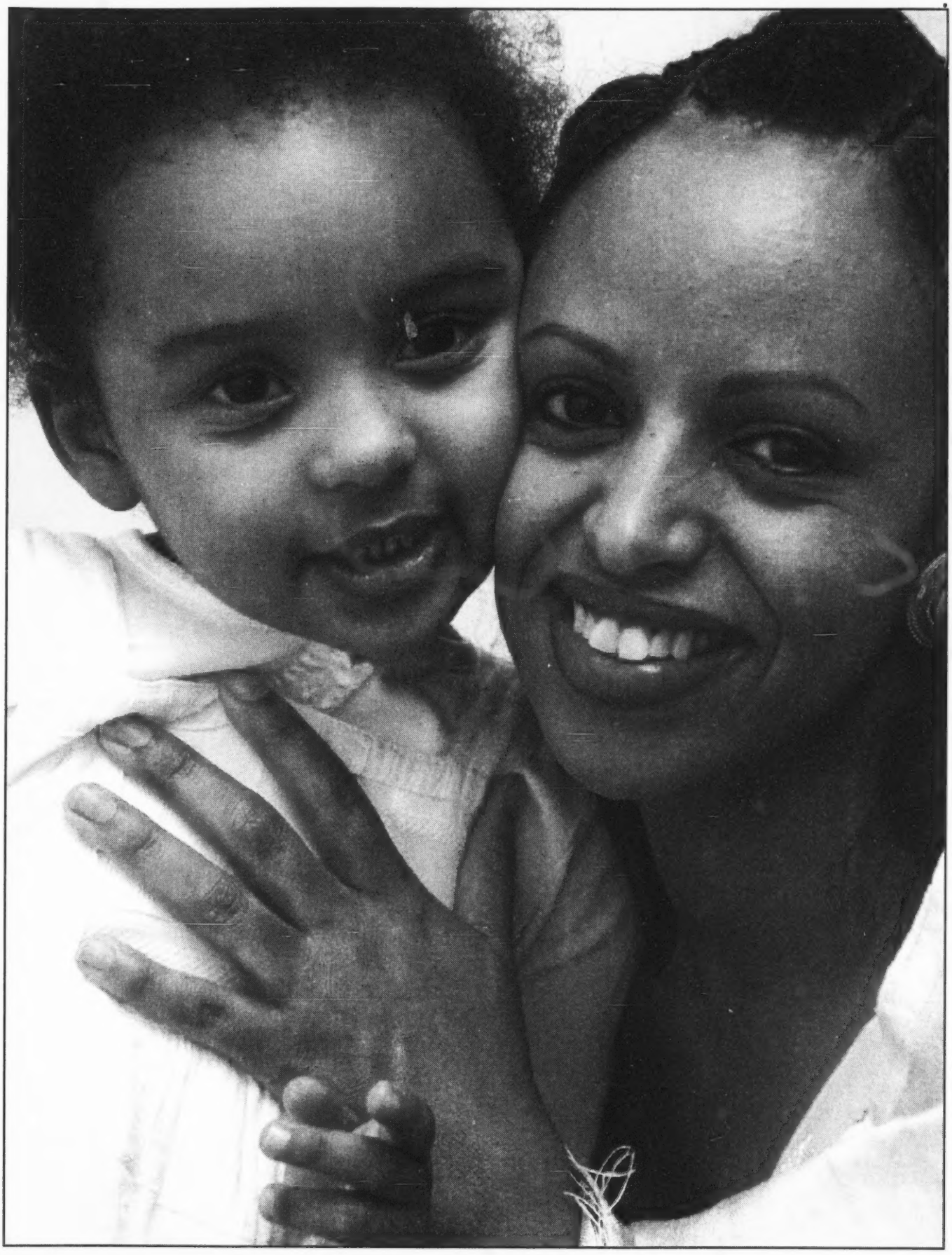


1. INTRODUCTION

THE FIRST TWO YEARS

Ontario's Poverty Reduction Strategy – the first in our province's history — was launched in 2008 with an ambitious goal of reducing the number of children living in poverty by 25 per cent over five years. This report provides an important record of our progress during the first two years and describes the key steps being taken to help break the cycle of poverty in Ontario and build opportunities that enable every Ontarian to succeed and contribute.

About the Poverty Reduction Strategy

In 2007, we made a commitment to build a comprehensive poverty reduction strategy around the Ontario Child Benefit, and to work with our partners to develop indicators and targets to measure and address child poverty. Following extensive public consultations, the first Poverty Reduction Strategy in Ontario's history was launched in December 2008. To guide and monitor implementation of the strategy, an innovative Results Table of Cabinet ministers, MPPs and external experts was established in 2009.

Poverty reduction came into law in Ontario in 2009 with support from all political parties. Recognizing that poverty reduction is a long-term provincial priority, the **Poverty Reduction Act, 2009** requires the government to report annually on key poverty indicators and develop a new strategy, through consultation, every five years. Our goal is to reduce child poverty by 25 per cent over five years. That's 103,000[1] kids according to Statistics Canada's Low Income Measure (LIM50), which indicates that in 2008, the child poverty rate in Ontario was 15.2 per cent.

This Progress Report is the first time that the government is able to report on the poverty indicators using 2008 income data. We know that our initiatives are helping to reduce poverty compared to what it would have been without the strategy. However, given the two year time lag in obtaining Statistics Canada data, it is too early for the data to show the full impact that our investment is making in moving children and their families out of poverty.

Vision

Ontario's Poverty Reduction Strategy is guided by the vision of a province where every person has the opportunity to achieve his or her full potential, and contribute to and participate in a prosperous and healthy Ontario.

Making a difference for Ontarians

Breaking the cycle of poverty matters to every Ontarian and affects all of us. The moral imperative is clear: every child in Ontario should have the opportunity to succeed in life, and people facing challenges should be given the tools they need to get ahead. Ontario introduced a Poverty Reduction Strategy in 2008 because reducing poverty is the right thing to do. It is also the smart thing to do. Breaking the cycle of poverty and developing a healthy, educated and employable workforce is critical to the economic future of Ontario.

The Poverty Reduction Strategy is a comprehensive plan, designed to address poverty in the short term and break the cycle of poverty in the long term. The strategy focuses first on children and their families. By helping kids living in poverty get a good start in life and have the opportunities they need to succeed, especially through education, the cycle of poverty can be broken.

Learn more

Learn more about Ontario's Poverty Reduction Strategy at:
ontario.ca/breakingthecycle

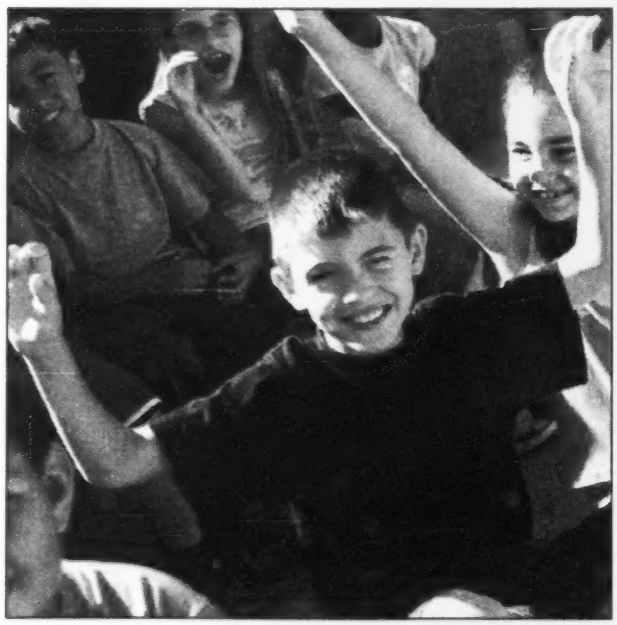
[1] Based on Statistics Canada's revised methodology for calculating the Low Income Measure. For further information on the revised LIM, see www.ontario.ca/breakingthecycle

The first two years

The global economic recession and financial crisis has had a serious impact on Ontario families. While the fiscal impact has presented challenges, it has made the Poverty Reduction Strategy all the more important. Reducing poverty - providing the tools that families and individuals need to succeed and participate fully in society - and addressing the economy are common goals for a prosperous and thriving Ontario.

The Open Ontario Plan, released in Budget 2010, recognizes that we need all Ontarians working at their best to compete in the global economy. This plan will help Ontario reach its full economic potential and lead to sustained economic growth. Supporting the vulnerable and helping them to succeed is not only fair but is also good for the economy.

Poverty reduction is a crucial component of this plan. Over the past two years we invested heavily in Ontario's youngest, through initiatives like Full-Day Kindergarten, to ensure every child gets a good start in life and has opportunities to succeed. We increased financial support, through tax credits and the Ontario Child Benefit, to help families get back on their feet during these tough economic times. We took deliberate steps to keep Ontarians working through stimulus investments that kept jobs in Ontario and improved our social and economic infrastructure. And for those that did lose jobs during the recession, we introduced retraining programs to help Ontarians gain employment in our changing economy.



"Ontario Campaign 2000 commends the Ontario government for taking leadership by developing a Poverty Reduction Strategy. The recession's impact on poverty rates would be greater, were it not for steps taken to date by the Ontario government: introducing the Ontario Child Benefit, investing in affordable housing, saving subsidized child care spaces, and bringing in Full-Day Kindergarten."

Jacquie Maund, Campaign 2000

In the short term we must be realistic. The global economic downturn of the past two years presents serious challenges to moving our key poverty indicators forward. In the short term the recession will affect incomes. However, despite these challenges we have made progress and our long-term goals and priorities remain unchanged. This commitment to poverty reduction is particularly important in the context of the current economic challenges facing Ontario and Canada.

Looking forward, it is important that we continue to invest in Ontarians, and specifically, in Ontario's children. This is an investment in Ontario's future growth and prosperity. Policies and programs that improve education, training, and early childhood education lay the foundation for a smarter, better-equipped workforce that positions Ontario to prosper.

We are in the early stages of a long-term plan and know that much remains to be done. This Progress Report outlines the important investments we have made to help families hit hardest by the recession and to stimulate the economic recovery, and highlights the many new initiatives and ongoing progress we are making on the Poverty Reduction Strategy.

Poverty Reduction Milestones

2007

- Ontario Child Benefit (OCB) is introduced. Up to $250 per child is delivered to families in July
- Premier McGuinty makes a commitment to introduce poverty reduction targets
- A Cabinet Committee on Poverty Reduction is established

2008

- Public consultations are held
- Increased support to low-income families is provided as OCB payments reach up to $600 per child annually
- Student Nutrition Program is expanded
- Ontario's Poverty Reduction Strategy is launched

2009

- A Results Table is established to guide and monitor implementation of the strategy
- The historic Poverty Reduction Act, 2009 is passed
- The Ontario Budget 2009 announces major investments in poverty reduction:
  - The OCB phase-in schedule is accelerated by two years to an annual maximum of $1,100 annually per child
  - More than $500 million is invested in social and affordable housing
  - Rent bank funding is stabilized
- Summer job opportunities for youth are more than doubled as the Youth Opportunities Strategy is expanded
- After-school programs are rolled out across Ontario, with a focus on high-risk neighbourhoods

2010

- The 2010 Ontario Budget introduces the Open Ontario Plan to strengthen our economy and create more jobs for our families
- The Budget includes:
  - Investments in employment standards officers, child care stabilization, career retraining programs and increased access to postsecondary education
  - Tax reform including personal income tax cuts, and special benefits and credits related to the HST, property tax, and the sales tax on energy
- The minimum wage increases to $10.25
- The HST is brought in, along with significant support for Ontarians, particularly those with low incomes
- The Full-Day Kindergarten Program is rolled out in nearly 600 schools across the province for approximately 35,000 students
- Healthy Smiles Ontario rolls out, providing up to 130,000 children with access to free dental care
- The Long-Term Affordable Housing Strategy is released
- A review of social assistance in Ontario is announced with the goal of improving employment outcomes, reducing complexity, improving fairness and removing barriers

Supporting Ontario families

In 2009-2010 we took important steps to move forward on poverty reduction, while providing help to those most affected by the economic downturn.

We know that the best way to break the cycle of poverty is to invest in our kids, invest in education, and in programs that support our kids to stay in school. This year about 35,000 four- and five-year-olds in almost 600 schools are attending **Full-Day Kindergarten**. Research shows that children who participate in Full-Day Kindergarten get a solid foundation for future learning. The program will be expanded over time, with a goal of having it available in all publicly funded elementary schools in five years.

We also know that a critical part of poverty reduction is to ensure that low-income working parents continue to have access to affordable, high quality child care so they can go back to work or school. In Budget 2010, 8,500 **licensed child care spaces** throughout Ontario were saved when the province committed funding to permanently offset a funding gap left by the federal government.

The Ontario Child Benefit (OCB), the cornerstone of the Poverty Reduction Strategy, represents a historic transformation of benefit payments that helps all low-income Ontario families. The benefit's flexibility is allowing families to move from social assistance to employment more easily. The phase-in of this monthly financial support was accelerated by two years in July 2009, providing up to $1,100 annually per child to low-income families. It now reaches over one million Ontario children making a positive difference in their lives.

Ontario's minimum wage was increased this year for the seventh time since 2003 to $10.25 per hour, while **tax relief** of $12 billion is being provided to Ontarians over three years, to enhance ongoing sales and property tax relief, cut personal income taxes, help individuals adjust to the Harmonized Sales Tax (HST), help northern residents with their energy costs, and proposed help to parents with the costs of enrolling their children in activities to be healthy and active. The combined benefits of many of these initiatives - tax credits, OCB increases and minimum wage increases - are making it easier for low-income working families to make ends meet. A single mother with a small child, working full time would have an annual income of $28,600 in 2010. This is now above the poverty line and represents an increase of $10,500 from the household's 2003 annual income of $18,100.

This year we also introduced **Healthy Smiles Ontario**, a prevention-based dental program which is helping low-income working parents get the care their kids need. In addition, we announced a review of **social assistance** and released a **Long-Term Affordable Housing Strategy** that will transform housing delivery in this province.

Partnering for poverty reduction

Reducing poverty in Ontario continues to require the efforts of many. We acknowledge in particular the dedication of the many poverty experts, organizations, communities and individuals living in poverty across the province who remain committed to this valuable initiative and who are making a difference every day in every corner of the province. We could not have moved forward without your continued support.

A sustained effort to reduce poverty also requires the commitment of all levels of government. We continue to look to the federal government, which has a critical and necessary role to play in lifting Ontarians out of poverty. While some positive steps have been taken – the Canada Learning Bond provides eligible low-income families with up to a $2,000 government contribution to their child's Registered Education Savings Plan (RESP) – there is much more to do. The Senate Subcommittee on Cities' report In From the Margins: A Call to Action on Poverty, Housing and Homelessness highlights the need for Canada, the provinces and territories to work together and make lifting people out of poverty a common goal. By working in partnership, more progress will be made.

"The evidence is very clear that in order to reduce poverty in the long-term we must make early investments that support families and ensure healthy child development. The introduction of Full-Day Kindergarten, the stabilization of child care funding and the continuing efforts to strengthen early learning programs in Ontario signal that this government understands the tremendous return on investment that is possible when we invest in the early years."

Paul Johnson, Chair,
Hamilton Best Start Network

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2. PROGRESS

BUILDING ON THE FOUNDATION

In 2010, we continued to build on the foundational work that began in 2009. Children and families remain the key focus of our work in recognition that, through this approach, we can break the intergenerational cycle of poverty. In light of Ontario's economic climate, we have also taken quick, strategic action to meet the immediate needs of Ontarians hit hardest by the recession, and invested in building the economic and social infrastructure that is critical to achieving our poverty reduction goals.

Stronger, Healthier Kids and Families

All children should have what they need for the best possible start in life:

- High-quality early learning and child care
- Opportunities for educational achievement and success in later life
- Families that have the resources and tools to support their children's well-being

High-quality early learning and child care

Full-Day Kindergarten Program

In September 2010, some 35,000 four- and five-year-olds in nearly 600 schools began participating in Ontario's first Full-Day Kindergarten Program, delivered by teams of teachers and early childhood educators. At many schools, a before- and after-school extended day option, led by an early childhood educator, is also available to families. This innovative program will expand to approximately 800 schools in 2011, offering programming for an estimated 15,000 additional children. By fall 2012, almost half of all four- and five- year-olds in Ontario will be enrolled in the program and by full implementation in 2015, it will benefit an estimated 247,000 children.

"In these tough times, it's encouraging to see the government is sticking to a strategy that will be as good for families and children as it is for Ontario's economic recovery. Early learning is one of the best stimulus investments a government can make to stem an economic downturn."

Annie Kidder, People for Education

Many studies have shown that full-day learning programs for four- and five-year-olds have a positive impact on academic, social and emotional development, better preparing them for Grade One. This gives children a better chance of finishing high school, going on to postsecondary education and getting a good job. These programs also give the children's parents more opportunities to work towards a better future for their families.

According to the experts, this is one of the most important investments we can make to break the cycle of poverty. In their report, Ontario in the Creative Age, Roger Martin and Richard Florida recommend the following, "Make early childhood development a high priority. This is the

highest payoff investment we can make in our long-run prosperity." The government will invest $200 million this year and $300 million in 2011 to support the Full-Day Kindergarten Program. Investments will rise to approximately $1.5 billion by 2015, when the program is fully implemented in all of Ontario's elementary schools.

Quality child care

High-quality child care is critically important to the well-being of low-income families. In 2010, Ontario committed to permanently filling the funding gap left by the federal government with an investment of $63.5 million per year. This will maintain approximately 8,500 **licensed child care spaces** and 1,000 child care jobs, and will help ensure that low-income working parents continue to have access to affordable, high-quality child care, allowing them to play an active role in the labour force. This year's investment builds on progress previously made in the child care sector. Since 2003, Ontario has made child care more affordable by providing an additional 20,000 regular fee subsidies. In that time, licensed child care capacity has grown by over 67,000 spaces. Ontario is also supporting the child care sector through funding to stabilize local licensed child care as four- and five- year-olds enter the Full-Day Kindergarten Program.

In addition, the extended-day component of the Full-Day Kindergarten Program offers a cost-effective, seamless child care option for working parents.

Programming for the early years

We know that giving children rich developmental and educational experiences early in life is critical to building their future success. Ontario's early years initiatives provide children with high-quality early development programming, and engage parents as partners in their children's early development and ongoing education.

- The government has begun developing a policy framework and implementation plans for the creation of **Best Start Child and Family Centres** that will provide a seamless and integrated system of supports and services for Ontario's children and families. This important initiative will help ensure that families in every community across Ontario have timely access to a range of community-based supports for their children, to give them the best possible start in life.
- **Parenting and Family Literacy Centres** located in high needs communities continue to provide parents/caregivers and their children, from birth to six years of age, the opportunity to participate in play-based learning activities that help kids get a head start on development and learning. There are currently 145 centres operating in the province and in the 2009-10 school year these centres had 450,000 visits.

Making a Difference

Urban and Priority High Schools
The Alternative Education Program (AEP) at W.F. Herman Secondary School in Windsor is providing new opportunities to students who are struggling in the regular academic stream. As one student commented, "(The program) has helped me stay in school and not skip my classes...made me want to stay and do my work and get my credit. The motivation the teachers gave me helped a lot and motivated me to behave and not act up. Thanks to them, I'm going to get my two credits."

Opportunities for educational achievement and success in later life

The best possible poverty reduction strategy is a good publicly funded education system. In addition to the specific initiatives described below, the Ontario government has, over the past seven years, been committed to making the province's publicly funded education system one of the best in the world. We are increasing student achievement and well-being, closing the achievement gap for struggling students and driving higher levels of confidence in publicly funded education. Working together, we are getting results: test scores are up, class sizes are down, the graduation rate continues to rise and we have labour stability in Ontario's schools.

- **Learning opportunities** – Poverty influences school-related outcomes and some students are at greater risk of academic difficulty because of their social and economic situations. The **Learning Opportunities Grant** (LOG) supports school boards to offer a range of programs to help students reach their academic goals. These include remedial reading, breakfast programs, tutors, mentoring, literacy and numeracy skills programs. In 2010, a portion of this grant was restructured so that funding is now better aligned with the number of students who, for socio-economic reasons, are at a higher risk of academic difficulty.

- **Access to school activities** – Activity fees are a barrier to participation in school activities for children in low-income households. Students should have the opportunity to fully participate in our education system, regardless of their parents' financial situation. A draft guideline regarding fees for learning materials and activities was released by the Ministry of Education in 2010, with the aim of informing school board policies on how best to support student participation in school activities. This will support the participation of all students in enriching school activities and programs that are outside the curriculum, but enhance a student's school experience. The final guideline will be released in early 2011.

Making a Difference

Parents Reaching Out (PRO) Grants
Through PRO grant support, Leslieville Junior Public School in Toronto offers a spring event for parents and children to make the future kindergarten experience in September easier, particularly for newcomers to Canada. As one parent wrote to the kindergarten teacher, "Thank you. I'm not at all worried about the move to kindergarten now. My son runs out of the door of our house and races to school whenever he hears it's time to come. It has been just as helpful for parents as the kids. As my son's future kindergarten teacher, you learned his name immediately and used it often. He responds well to that."

- **Parent engagement** – Schools should foster and sustain a positive, welcoming school climate in which all parent perspectives are encouraged, valued and heard.
  - **Parent Involvement Committees (PICs)** participate at the school board level to support, encourage and enhance the engagement of parents in improving student achievement and well-being. PICs do this by undertaking activities to help parents support their children's learning at home and at school, giving advice to the boards on parent engagement, and communicating with and supporting school councils.
  - **Parents Reaching Out (PRO) Grants** continue to fund innovative local, regional and provincial initiatives designed to break down the barriers to parent engagement faced by many parents in Ontario. For example, PRO grants have been used to develop programs that provide multi-language services, help parents work with their children at home and build connections across diverse cultures in the school. A portion of funding for this program was refocused to priority schools in high-needs areas for the 2009–10 school year. In the 2010–11 school year, there was a 25 per cent increase in approved applications from priority schools, compared to 2009–10.

- **Specialist High Skills Major Program** – Ontario is helping more high school students get an academic and career edge by expanding its **Specialist High Skills Major Program**. This fall, a not-for-profit sector program was launched, offering students an opportunity to obtain hands-on experience at community agencies. In 2010-11, there will be more than 28,000 students enrolled in over 1,000 Specialist High Skills Major programs in more than 530 secondary schools – an increase of 8,000 students, 260 programs and 100 schools over the 2009-10 school year.

- **Access to after-school programming** – The **After-School Initiative** supports children and youth in low-income families, including priority groups such as Aboriginal, newcomer and northern or rural populations. This initiative continues to provide opportunities for children and youth to be more physically active, learn about healthy living and develop confidence and resiliency. The program has helped approximately 18,000 children and youth participate in enriched after-school programming offered by over 100 organizations across Ontario in more than 300 locations. In 2010, this initiative was expanded to 11 First Nations sites, serving 465 children and youth from Junior Kindergarten to Grade 12.

- **Summer Literacy Program** – Research tells us that children in low-income communities lose academic momentum during the summer months causing a growth in the learning gap. In 2010, to help close that gap, the Ministry of Education created the Summer Literacy Program, a rich full-day of literacy and recreational activities to build skill in reading and writing, to expand vocabulary and to provide an array of traditional summer activities like field trips and swimming lessons. In the first summer, the program engaged 1,300 children in approximately 50 school boards.

Opportunities for youth

The **Youth Opportunities Strategy** (YOS), through the **Summer Jobs for Youth** and **Youth in Policing** programs, are providing at-risk youth with valuable work experience. This experience helps youth gain

Making a Difference

Community Use of Schools – Priority Schools
The impact of the Priority Schools Initiative is reflected in this excerpt from Ontario district school board reports:

"The elimination of user fees has created opportunities for numerous groups that otherwise would not have been able to afford space for community activities...and increased parental involvement due to the increased access to schools for community use."

Grand Erie DSB Mid-year Report

confidence and learn important new skills that contribute to their future and the well-being of their communities. The number of jobs available through YOS more than doubled in 2009. With the addition of Sudbury and 12 new police services in 2010, this program is now operating in 32 communities across Ontario and provided more than 4,700 youth with full-time summer employment this year.

"I started working in the warehouse, and they slowly integrated me into the floor. I dealt with customers and various people. I found that one of the best things was that it allowed me to speak to people, which I wasn't that great at before. At the end of the program, I actually got hired on by the company."

Michael, Summer Jobs for Youth participant

Youth Challenge Fund

We know that, given the right opportunities, Ontario's youth have endless potential. Since 2006, Ontario has allocated more than $30 million to the Youth Challenge Fund, which has supported 111 different youth-based projects designed to improve opportunities for Toronto's youth, specifically young people living in the city's 13 priority neighbourhoods.

Support for Crown wards

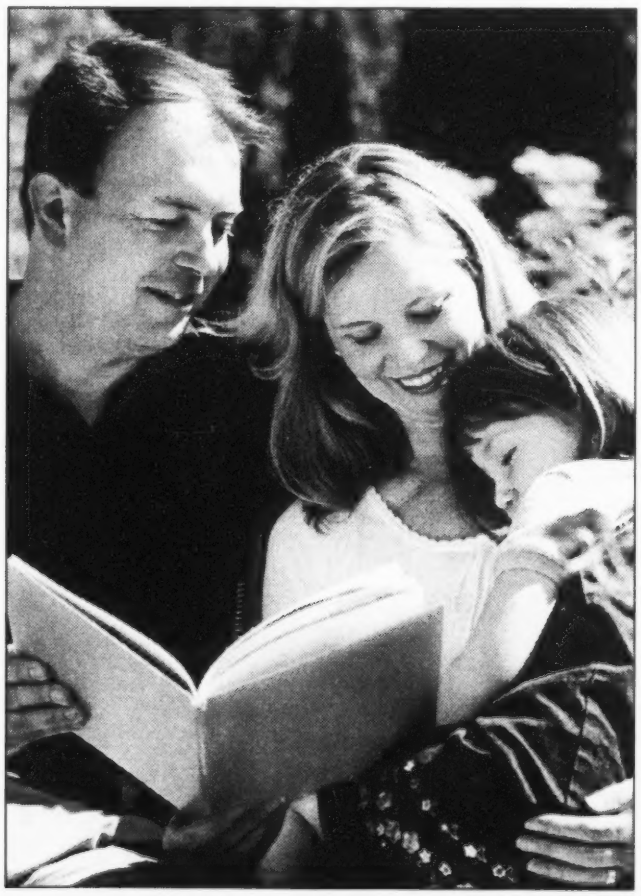
Crown wards remain some of the most vulnerable children in Ontario. In order to improve outcomes for these kids, a number of initiatives have been developed to provide additional supports and services that will help them achieve success in later life. Some of these additonal supports include the following:

- Funding equivalent to the **Ontario Child Benefit** is providing increased access to educational, recreational, cultural and social activities for children and youth in care, and a savings program for older youth to support their successful transition to adulthood.
- Ontario is helping more Crown wards succeed in school. **Crown Ward Education Championship Teams** offer mentorship, peer support, motivation and guidance to Crown wards across the province.

Families that have the resources and tools to support their children's well-being

Financial stability

Providing improved financial stability to Ontario families and tax relief for all low-income Ontarians is an important component of the Poverty Reduction Strategy. As a result of investments and the government's comprehensive tax reform package, a single mother with one child, working full-time at minimum wage and accessing all available benefits, is now above the Low Income Measure (LIM50). See figure on page 12, adjusted to 2010, and learn more about the government's tax reform.

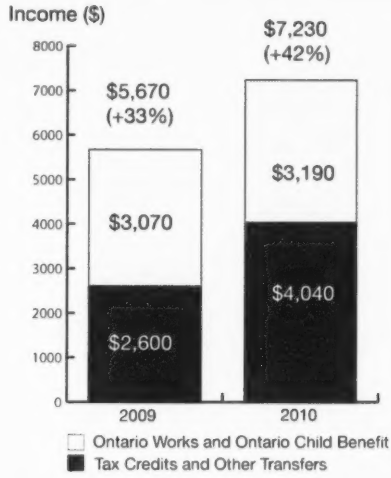


Making a Difference

Supporting Families: Ontario Child Benefit and Social Assistance

The Ministry of Finance has developed this scenario to illustrate the impact of the combined effect of current tax credits, federal and provincial transfers on income.

Change in Annualized Income since 2003 for a Single Parent with Two Children (Aged 5 and 7)



Notes:

1) Tax credits and other transfers include the Canada Child Tax Benefit, National Child Benefit Supplement, Universal Child Care Benefit, Goods and Services Tax Credit, Ontario property and sales tax credits, and the Ontario Sales Tax Transition Benefit in 2010.
2) Incomes are annualized as at the end of the calendar year shown.
3) The family's annualized income would increase by $7,230 from $17,060 in 2003 to $24,290 in 2010.
4) The family's annualized income would increase by $1,560 from $22,730 in 2009 to $24,290 in 2010.

Source: Ontario Ministry of Finance.

Ontario Child Benefit

The **Ontario Child Benefit** (OCB) is the cornerstone of the Poverty Reduction Strategy. It provides support to low-income families so they can provide the essentials to help

their children reach their full potential. This support can mean many things: food, clothing and shelter, or giving a child or youth the opportunity to take part in enriched summer or after-school programming. This support also reduces the barriers to moving from social assistance to employment by continuing to provide benefits to families, regardless of their source of income.

In the 2008 Poverty Reduction Strategy, we committed to further increasing the maximum Ontario Child Benefit annual payment to $1,310 per child within five years. In July 2009, planned increases to the OCB were accelerated by two years, providing low-income families with up to $1,100 annually for each child — almost $92 per month. This represents an increase of 83 per cent over the 2008 maximum payment and an increase of 210,000 children receiving the benefit. The full impact of the OCB increases are not fully reflected in the 2008 income indicators because of the lag in receiving Statistics Canada data. In 2010, the OCB is benefiting over one million children.

Access to health care

Important steps have also been taken to ensure that low-income families can support their children's health care needs.

- **Healthy Smiles Ontario**, introduced in 2010, expands and builds on public health dental investments by providing a range of preventive and early treatment dental services to children and youth from low-income families who have no access to dental coverage. Services include check-ups, cleaning, fillings and x-rays. This program is expected to serve up to 130,000 children and youth up to age 18, and will lead to healthy teeth and better overall health for kids living in poverty.
- The **Children In Need Of Treatment** (CINOT) program continues to provide access to urgent or emergency dental care for children and youth who cannot otherwise afford treatment. In 2009, the program was expanded to include children up to age 18, and provided emergency dental care to 50,779 children and youth with serious oral health problems which might otherwise have gone untreated.
- High-quality nutrition is a very important predictor of school performance. Kids are not ready to learn when they are hungry. In 2008, as a down payment on the Poverty Reduction Strategy, an annual increase of $9.4 million was provided to the **Student Nutrition Program**, bringing the total annual investment to $17.9 million per year. The program supports approximately 1,000 breakfast programs in high-needs communities across the province, serving snacks and meals to over 520,000 kids in 2009–10.
- The government also provides $4.4 million through the Early Childhood Development Agreement of the Canada Social Transfer for delivery of the **Aboriginal Fetal Alcohol Spectrum Disorder and Child Nutrition Program**, delivered to 180 Aboriginal communities, both on- and off-reserve.
- The Ministry of Health and Long-Term Care is reviewing the report from the Select Committee on Mental Health and Addictions, Navigating the Journey to Wellness: The Comprehensive Mental Health and Addictions Action Plan for Ontarians, as well as the report from the Minister's Advisory Group on Mental Health and Addictions, Respect, Recovery, Resilience: Recommendations for Ontario's Mental Health and Addictions Strategy. Both these reports will be used in developing the government's **Mental Health and Addictions Strategy.** In addition, the ministry has provided 1,000 supportive housing units for people with problematic substance use issues, which will help them to maintain housing in their community.

"Research from around the world has shown that early intervention and access to preventive care are key to improving kids' oral health. Healthy Smiles Ontario is a good first step at addressing the oral health needs of this province's children. No child should have to suffer the often painful effects of dental decay, which is one of the leading causes of absences from school."

Dr. Lynn Tomkins, President,
Ontario Dental Association

Opportunity for All

All Ontarians should have the opportunities and tools they need to succeed:

- Tax relief for Ontarians
- Access to jobs and a path out of unemployment
- Fair minimum wages and working conditions
- Safe and affordable housing

Tax relief for Ontarians

Ontario's comprehensive tax reform will lead to more jobs and higher incomes, and help sustain key public services, such as health care and education, by creating a stronger, more competitive economy. A December 2009 study[2] conducted for the Canadian Centre for Policy Alternatives, updated in January 2010, concluded that the impact of the HST on low-income families is less, and that this is more than offset by the improved property and sales tax credit. As part of **Open Ontario**, the government is providing new tax relief for low- to middle-income Ontarians, starting in 2010. These include the following:

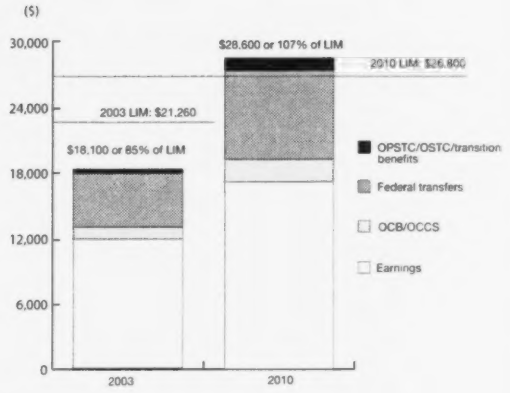
- 93 per cent of Ontario income tax payers are receiving personal income tax cuts and about 90,000 low-income taxpayers no longer pay **Ontario Personal Income Tax**, as a result of the reduction in the lowest tax bracket rate.
- The new permanent, refundable **Ontario Sales Tax Credit** provides up to $260 per person annually. Eligible low-to middle- income Ontarians started receiving the first quarterly payment of this tax credit in August 2010.
- The **Ontario Sales Tax Transition Benefit** will provide approximately 6.6 million individuals and families with up to three payments in 2010 and 2011 to help them adjust to the new Harmonized Sales Tax. Eligible Ontario families (including single parents) earning up to $160,000 will receive three tax-free payments totalling $1,000.
- The proposed **Ontario Energy and Property Tax Credit** would benefit 2.8 million Ontario families and individuals. This credit would provide up to $900 per year of relief for sales tax on energy and property tax to non-seniors and up to $1,025 per year to seniors.

Making a Difference

Supporting Families: Helping Low-Income Working Families out of Poverty
Increasing tax credits, the OCB and the minimum wage supports low-income working families and creates incentive for people to join the labour force.

Single parent with one child, working full time at the minimum wage

Child is less than 6 years old



Notes:

1) The earnings are roughly equivalent to the minimum wage times 37.5 hours per week times 52 weeks per year.
2) Property tax credit in 2010 based on monthly rent of $650.
3) Federal transfers and the OCB/OCCS benefits are annualized amounts based on monthly benefit received in December.
4) The property and sales tax credit (OPSTC), new sales tax credit and transition benefits are based on amounts paid in the calendar year. For simplicity the OPSTC is held constant at its 2010 value. Federal transfers include the CCTB, NCB, GST credit, UCCB and WITB.

[2] Not a Tax Grab After All, A Second Look At Ontario's HST, Canadian Centre for Policy Alternatives, available at www.policyalternatives.ca

- The **Northern Ontario Energy Credit** will provide up to $130 a year for a single person and up to $200 per family.
- Ontario's proposed new permanent, refundable **Children's Activity Tax Credit** would help parents support their children's participation in sports, arts and other activities, and would benefit over 1.8 million children in about 1.1 million Ontario families.
- The **Ontario Senior Homeowner's Property Tax Grant** was doubled in 2010, providing up to $500 per year to help seniors stay in their homes.

"Expanding the range of refundable tax credits available to low-income Ontarians is an important piece of a 21st century income security system. When combined with education and outreach, refundable tax credits are an effective way of reducing poverty."

Michael Oliphant, Director of Research and Communications, Daily Bread Food Bank

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Access to jobs and a path out of unemployment

Support for Postsecondary Students

We know education increases the potential for prosperity and we know that seven out of every ten new jobs will require postsecondary education or training in the next decade. So, since 2003, we have increased high school graduation rates, increased assistance and created thousands of new spaces in colleges, universities and apprenticeships. Today, 200,000 more students are attending a postsecondary institution or pursuing an apprenticeship. Increasing the accessibility and affordability of a university or college education will ensure that Ontarians gain the skills and knowledge necessary to compete in today's job market.

- In 2010–11, the government is providing an additional $81 million in financial support for college and university students.
- Improvements to the **Ontario Student Assistance Program** (OSAP) announced in 2010 include simplifying the OSAP application, providing greater access to financial aid and increasing flexibility on loan repayment. These changes will help about 210,000 Ontarians in 2010–11 and 230,000 Ontarians in 2011–12.
- OSAP also introduced changes to its **Student Access Guarantee** to ensure that qualified Ontario students in need will be able to access resources to help pay for their tuition, books and mandatory fees. This means that more students who might not have finished their education for financial reasons will be able to complete their studies.

Training

Making a Difference

Second Career

Melissa is a single mom who has struggled to break free of the cycle of poverty that dominated her life. When she was laid off from her job at an auto parts manufacturer, she explored retraining through Second Career, focusing on academic upgrading and skills training for a career in the health care field.

Melissa says, "Second Career offered me the chance to make the decision about my future and opened the door to an opportunity that would not have been there otherwise. I do not think that I could ever express my gratitude enough. Thank you to all those who have helped me and to Ontario for the Second Career program. I am proud of myself and my new skills to be able to help others. Second Career has made this possible."

We know that because of the recession and the changing job market, many Ontarians need to retrain and learn new skills in order to find work and get back on their feet.

- Ontario's innovative **Second Career Program** continues to help laid-off workers retrain for new careers in occupations with demonstrated labour market prospects in Ontario. Since its launch in June

2008, more than 36,000 individuals have participated in this program. Laid-off auto workers, for example, have been helped to train for careers as diverse as law, security administration and food preparation. It is anticipated that by April 2012, nearly 60,000 individuals will have participated in the Second Career Program, helping to build the highly skilled and educated workforce Ontario needs to be competitive.

- Government has also, for the second year, expanded funding for **Bridge Training Programs**, which provide fast, effective, occupation-specific training to help internationally trained individuals obtain licensure and employment in their field, without duplicating what they have already learned. In 2010, funding for 22 new programs and 17 existing programs was announced. These programs are expected to help more than 6,000 highly skilled newcomers find jobs that match their qualifications and experience.
- **Ontario's Women in Skilled Trades and Information Technology Training Programs** (WIST/ITT) continues to help unemployed and underemployed women get the training needed to secure high demand jobs with better pay. In 2009, 177 women graduated from Women in Skilled Trades and Information Technology Training Programs. These programs were instrumental in providing women with skills development and hands-on experience necessary to raise themselves and their families out of poverty while satisfying Ontario's skilled workforce needs.

Employment

A variety of innovative programs and supports have been developed, based on what those who have experienced poverty told us were their biggest barriers to employment.

- Through the **Employment Ontario Service Delivery Transformation Initiative**, **Employment Ontario** has opened the door to a new one-stop employment service through which people can find a full range of employment services and training programs to help them find and keep a job.
- The new **Employment Ontario Service Network** was successfully launched in August 2010, and now delivers services to Ontarians through over 400 centres across the province.

Making a Difference

Women in Skilled Trades and Information Technology Training Programs *(WIST/ITT)*
Kathryn is 25 years old and has always loved being physically active and working with her hands. During employment at MacFarlane Construction and Maintenance, she found out about the WIST program. After being accepted and completing her studies, she was offered a job at Jamesway Construction and started the week after graduation. She has been employed there for almost a year and couldn't be happier. She has also recently been offered an apprenticeship in carpentry and, as a WIST graduate, can immediately advance into the second year of the program.

Commenting on the value of this program, television personality Mike Holmes said, "The Women in Skilled Trades and Information Technology Training for Women programs have been a resounding success for everyone involved. As an employer, I have benefited from the addition of a well-trained WIST graduate to my staff."

Making a Difference

Microskills- PARO Centre for Women's Enterprise
Thunder-Bay based PARO Centre for Women's Enterprise is a not-for-profit grassroots organization that is increasing the economic independence of women and their families by assisting in the start-up, development and growth of their micro-enterprises.

Self employment is a viable option for some women. Unfortunately, many women often do not have a sufficient credit rating to secure credit and are unable to borrow money from a bank. PARO's peer lending circles provide women with access to peer loans from $500-$5000 and provide women with the on-going supports they need to be successful.

Removing barriers

In January 2010, the Social Assistance Review Advisory Council (SARAC) was established to provide recommendations regarding the scope and terms of reference for a review of Ontario's social assistance system and advise the Minister of Community and Social Services regarding possible short-term changes to social assistance rules. The province has since moved forward with four rule changes aimed at reducing complexity, improving fairness and removing barriers. SARAC's final report recommending the scope and terms of reference for a social assistance review was received by the government in May 2010.

Moving forward, a two-person led commission has been created to conduct the **Social Assistance Review** in Ontario. This review will be guided by a vision of a 21st century income security system that enables all Ontarians to live with dignity, participate in their communities, and contribute to a prospering economy. The review will recommend ways to improve work-related outcomes, while providing appropriate income supports and access to opportunities that will enable participation in and attachment to the labour market, and guarantee security for those who cannot work. It will examine and determine the effectiveness of social assistance and how it affects, and is affected by, other parts of the overall income security system in Canada. The review will also speak to the role of the federal government in regard to income security for Ontarians.

Fair minimum wages and working conditions

Fair minimum wages

In 2010, the minimum wage was increased to $10.25 per hour, the seventh consecutive year of increases since 2003. This represents an almost 50 per cent increase since 2003. Ontario now has the highest minimum wage among the provinces.

Improved working conditions

- The Ministry of Labour has hired 40 new **Employment Standards Officers** to increase employers' compliance with Ontario workplace standards. Education and outreach to employers, and partnerships with employer associations and stakeholders, have also been undertaken to improve compliance and expand the protection offered to some of Ontario's most vulnerable workers, and to eliminate the claims backlog. In 2009, $4.5 million was dedicated to this goal and an additional $6 million over two years was committed in the 2010 Budget.
- The new **Temporary Help Agency Law Enforcement** provisions in the **Employment Standards Act, 2000** are helping to ensure that people employed by temporary help agencies enjoy the same rights as other employees, including those related to notice of termination and severance pay, public holidays and the ability to accept employment from a client of the temporary help agency without restriction.
- On October 21, 2009, the Minister of Labour introduced the **Employment Protection for Foreign Nationals Act (Live-in Caregivers and Others), 2009** to ensure that foreign nationals employed as live-in caregivers are properly protected under provincial law. The Act, which came into force on March 22, 2010, prohibits recruiters from charging fees to foreign nationals working or seeking to work in Ontario as live-in caregivers.

Making a Difference

Bridge Training Programs
An internationally trained early childhood educator (ECE) was able to find employment only in a fast food chain. Within less than a year of having started her Ontario Bridge Training Program, she is now a fully certified ECE educator and is working in her field again in Ontario.

Safe and affordable housing

Affordable housing plays an essential role in addressing poverty. The government has invested some $2.5 billion to help create and repair more than 200,000 housing units and provide more than 35,000 new rent supplements to the most vulnerable people in Ontario. Ontario also invests approximately $450 million annually in housing and homeless services for Ontarians in need.

Long-Term Affordable Housing Strategy

To support the Poverty Reduction Strategy, the government is moving forward with a **Long-Term Affordable Housing Strategy** that brings us closer to improving access to adequate, suitable and affordable housing for the people of Ontario. We are helping families thrive by creating employment opportunities, promoting safe neighbourhoods and ensuring people have the resources, services and programs they need. This initiative responds to provincewide public consultations that indicated the housing system is too complicated and creates barriers for people living in, and for those delivering, affordable housing. The strategy establishes a solid foundation to transform the way affordable housing and social services are delivered in Ontario. A proposed Housing Services Act would support a more flexible and people centred approach so services could adapt to the specific needs of local communities.

Today, there are more than 20 provincial housing and homelessness programs, each operating independently of each other and with their own rules. People in need of services can find it discouraging and difficult to gain access to uncoordinated programs. A central element of the strategy is to consolidate the current patchwork of provincial housing programs and allow municipalities to develop locally-based solutions to meet the needs of families and individuals.

During consultations, some of our partners proposed creating an Ontario Housing Benefit to help low-income Ontarians pay rent. Current financial challenges do not allow us to proceed to implement such a program at this time. However, this does not prevent the Ministry of Municipal Affairs and Housing from working with the Ministry of Community and Social Services and our housing partners, to explore this and other options for low-income Ontarians.

Social housing renovation and retrofitting

The provincial government is investing $622 million, which is being matched by the federal government through an **Affordable Housing Agreement**, reached in 2009, to provide a total of $1.2 billion in new funding for affordable housing. To improve the health and safety of residents in social housing communities, and enhance accessibility for seniors and persons with disabilities, $700 million has been invested through the **Social Housing Renovation and Retrofit Program** to fund the repair and energy efficient retrofitting of more than 173,000 social housing units in Ontario. As well, the new funding includes $540 million to build more than 4,500 new affordable housing units, with some $307 million for the creation of affordable rental housing for low-income seniors, and more than $57 million for the creation of affordable rental units for persons with disabilities.

Through **Infrastructure Ontario**, the government has also provided over $200 million in loans to not-for-profit social and affordable housing providers to reduce utility costs, improve energy efficiency, revitalize properties and improve the quality of life for tenants in communities across Ontario. This investment has saved municipalities and housing providers over $13 million through the construction period and the term of the loan due to Infrastructure Ontario's competitive rates.

Support for tenants

More than 23,800 Ontario families have avoided eviction thanks to the **Provincial Rent Bank Program**, which helps people stay in their homes by covering rental costs for up to two months. As part of the Poverty Reduction Strategy, the government stabilized funding for the Rent Bank at $5 million per year. Since inception of the program in 2004, the government has invested more than $33.8 million.

Making a Difference

Ontario Child Benefit

"It helps parents provide new experiences for their children and it helps with the day-to-day living."

Family support worker at Jane/Finch Community and Family Centre

Stronger Economic and Social Foundations

Strong economic and social foundations are critical to a prosperous and healthy Ontario:

- A growing economy that provides jobs and builds futures for all Ontarians
- Strong communities and community-based services
- A not-for-profit sector that is valued and supported

A growing economy that provides jobs and builds futures for all Ontarians

Open Ontario Plan

The Ontario government has launched an ambitious five year plan called the **Open Ontario Plan** to strengthen our economy and create more jobs for Ontario families. Open Ontario directly supports the goals of the Poverty Reduction Strategy through new investments in job creation, health care and education. It represents a critically important foundation for achieving our poverty reduction targets over the next three years, which depend on a prosperous and growing economy. Open Ontario will stimulate the economy and generate new jobs by improving Ontario's infrastructure, creating an economic climate that will attract new investment and help business thrive, supporting innovation to seize new global opportunities, and ensuring that Ontarians have the skills and education they need for the job market of the future.

Strong communities and community-based services

Supporting community-based organizations

Through the Ontario Trillium Foundation, community-based organizations have received grants of $63 million over four years to support a wide variety of programs across Ontario that address poverty and its effects. These programs respond to local needs and have a diverse focus, ranging from early childhood development, school readiness and literacy to supports for youth at risk, employment and job training, social and recreational facilities and services, community infrastructure, and programs within Aboriginal communities.

Making a Difference

Vibrant Communities – Local Action to Reduce Poverty

Vibrant Communities is a pan-Canadian initiative through which 13 communities have experimented with new and innovative approaches to poverty reduction. These approaches emphasize collaboration across sectors, comprehensive thinking and action, building on community assets, and a long-term process of learning and change.

With funding support from the Ontario Trillium Foundation, Tamarack is expanding their learning centre activities across Ontario's largest communities. Focusing on poverty reduction, this project is helping communities work together across multiple sectors to address difficult social problems. Through coaching supports, access to on-line audio seminars, communities of practice, resources, and access to conferences, Tamarack is helping communities across Ontario build their capacity to work collaboratively and developing outcome measures for vibrant communities. ***Measuring Community Change*** *is a series of papers published by Tamarack detailing this work.*

Improved access to services

The Ministry of Health and Long-Term Care has partnered with United Way Toronto's Building Strong Neighbourhoods Strategy, to provide better access for grassroots community groups and residents where services were inadequate or non-existent. These **Community Hubs**

are places where independent community partners come together to provide a full range of services that best meet the needs of their high-risk communities. Services range from health care to settlement services for new immigrants. In 2010 three community hubs were launched in priority neighbourhoods in the Greater Toronto Area, including Eglinton East/Kennedy Park, Westin-Mount Denis, and Crescent Town.

In order to make better use of community resources across the province, the Ministry of Education released a **Facility Partnerships Guideline** to all school boards in 2010 to encourage working with community partners to optimize the use of public assets owned by school boards.

Integrating community facilities

The newly expanded **Priority Schools Initiative** provides funding to selected school boards to offer not-for-profit groups free access to school space outside regular school hours. This means eligible not-for-profit groups can offer more affordable or free programs in communities where the need for access is greatest. This initiative is reaching 175 schools in 32 school boards in the 2010–11 school year. Part of the **Community Use of Schools Program** enables not-for-profit organizations to offer more affordable programming in the community, and helps students and families benefit from expanded access to programs and services. As of March 2010, there were over 550,000 visits to programs held in priority schools in the 2009–10 school year, and over 1,100 permits had been granted to not-for-profit groups.

A not-for-profit sector that is valued and supported

Legislative reform

Important steps have been taken toward **Reform of the Corporations Act** that would result in new and modern legislation governing not-for-profit organizations incorporated in Ontario. The **Not-For-Profit Corporations Act, 2010**, which received Royal Assent, will benefit a wide variety of organizations, including those providing services and resources for Ontario's most vulnerable. The new act is intended to facilitate the operations of these not-for-profit organizations and encourage economic growth.

Partnership with the not-for-profit sector

Through the recently launched **Partnership Project**, the government has initiated provincewide discussions on how to strengthen its relationship with Ontario's not-for-profit sector. The project is a collaboration between the Ministry of Citizenship and Immigration and the Ontario Trillium Foundation, and is intended to better organize and facilitate the government and the not-for-profit sector's ongoing efforts to support individuals and communities. Not-for-profits in Ontario are a vital pillar of the province's economy, and provide resources, services and information to those affected by poverty. The Partnership Project is part of the Government of Ontario's ongoing effort to reduce administrative barriers and improve services for not-for-profits so that they can spend more of their time and resources assisting vulnerable Ontarians.

Supporting social innovation

The government is exploring a variety of approaches to support social innovation and social enterprises in the province. In order to be successful in poverty reduction, we will have to pursue innovative and creative new ways of doing things.

- **Social Innovation Generation** (SiG) at **MaRS Discovery District** (SiG@MaRS) is partnering with the Toronto Stock Exchange and the Ontario Association of Food Banks in a Social Venture Exchange (SVX) feasibility study and pilot program. The SVX will provide a platform to assess and attract sustainable financing for firms with a social mission, from enterprising not-for-profits to social businesses, and would be the first of its kind in Canada.
- The government continues to pursue **sustainable procurement** initiatives that support social enterprises seeking to do business with the Ontario government. This ensures the government is leading by example and serving as a model for Ontario's broader public sector and consumer markets.

- An online **Social Venture Registry** (SVR), launched in 2010, enables visitors to learn about social ventures and the benefits they are generating for Ontarians. It also helps to connect social venture leaders, investors and suppliers. The registry can be found at www.marsdd.com/aboutmars/partners/sig/svr

- Ontario is also exploring the **Community Interest Company Model** (CIC), being pursued in the United Kingdom, to determine its feasibility in Ontario. A white paper, entitled Social Entrepreneurship — Legislative Innovations, was published by MaRS in 2010 as part of a series examining the opportunities and challenges influencing the growth of social ventures in our province.

3. MEASURES

INDICATORS AND OUTCOMES

Setting targets and establishing indicators that measure progress is an important part of our Poverty Reduction Strategy. Our government knows that if you want to improve something, it must first be measured. Measuring progress will help the government understand where progress is being made and inform decision making where it is not.

About the indicators

Poverty reduction is a complex undertaking requiring a broad, multi-pronged approach over time. Measuring improvement similarly requires a comprehensive set of indicators against which to measure progress.

A set of eight indicators was selected during the strategy development process which, when taken together, provide a reliable measure of the Poverty Reduction Strategy's impact. These eight indicators cover key aspects of the dimensions of opportunity, such as income levels, education, health, housing and standard of living. Our eight indicators are:

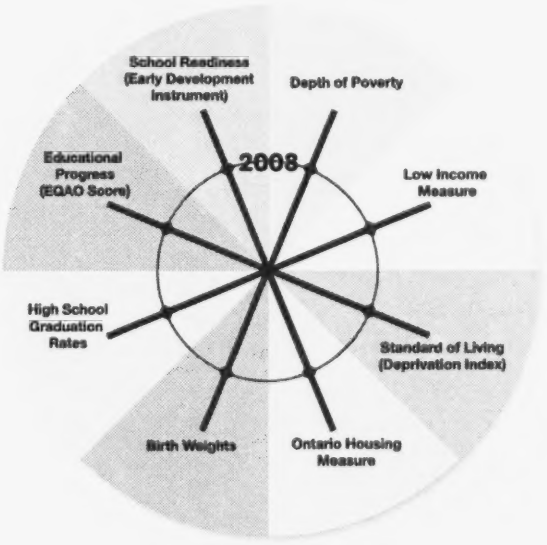
1. School Readiness
2. High School Graduation Rates
3. Educational Progress
4. Birth Weights
5. Low Income Measure (LIM)
6. Depth of Poverty
7. Standard of Living
8. Ontario Housing Measure

Statistics Canada data for the income-based indicators lags by 18 months. This means that this 2010 report reflects the 2008 baseline data from which we will measure progress. It is important to note that Statistics Canada has revised the method used to calculate the Low Income Measure (LIM) to make it consistent with the way it is calculated internationally. Our baseline income data is based on this revised measure and means our goal of reducing child poverty by 25 per cent over five years requires lifting 103,000 children out of poverty by 2013.[3] The LIM indicators in this report should not be compared to LIM indicators in previous reports as they were calculated differently.

The Child and Youth Opportunity Wheel

The Child and Youth Opportunity Wheel provides a visual summary of improvements in each of the eight indicators over time, and will be updated from our 2008 baseline year as 2009 data on income indicators becomes available next year.

Child and Youth Opportunity Wheel



[3] Based on Statistics Canada's revised methodology for calculating the Low Income Measure. For further information on the revised LIM, see www.ontario.ca/breakingthecycle

The indicators

Indicator 1: School Readiness

Children have a better chance to succeed as students when they come to school ready to learn. They need to be healthy. They need social and emotional competencies. They need language, thinking and communications skills, and the general knowledge to participate in, and benefit from, their educational experiences.

This indicator is based on the Early Development Instrument, a population-based measure of children's readiness to learn at school, taken from a representative sample of children from across the province. Administered in Senior Kindergarten, it measures children's readiness to learn at school in five domains: physical health and well-being, social competence, emotional maturity, language and cognitive development, and general knowledge and communication skills.

As reported last year, between 2007–09, 71.5 per cent of children surveyed showed no vulnerabilities. This means that most children in Ontario are doing well, but there are some who are vulnerable to poorer outcomes and who may need additional supports to learn at school.

The data supports the view that children who attended Junior Kindergarten are more ready for school than children who did not attend Junior Kindergarten.

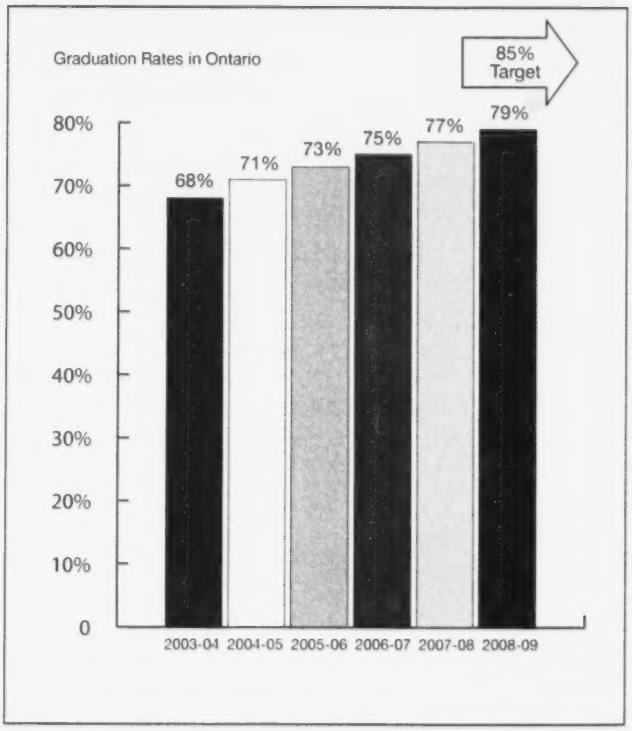
The data is gathered from one third of Ontario school boards each year. As a result, it takes three years to cover the province. The 2007-2009 data represents our baseline; the next cycle for reporting will be 2010–12.

Indicator 2: High School Graduation Rates

In our knowledge- and skills-based economy, graduating from high school is more important than ever before. Young people with a secondary school graduation diploma have improved chances for a better job and more earning power throughout their lives.

This indicator represents the percentage of high school students who have earned an Ontario Secondary School Diploma, in each graduating year. Ontario's graduation rate measures the percentage of students who graduated within five years of having started Grade 9 together. High school graduation is an important predictor of a student's future earning power and ability to succeed in college or university.

For the 2007–08 year, the high school graduation rate in Ontario was 77 per cent. For the 2008–09 year, our baseline for future reporting, the high school graduation rate in Ontario was 79 per cent. The graduation rate has increased 11 percentage points since 2003–04.



Indicator 3: Educational Progress

Provincewide assessment is one important measure of children's progress in literacy and numeracy, and enables us to pinpoint areas for improvement. This measure provides critically important information on planning for student achievement.

This indicator is based on the EQAO provincial assessment of student achievement as measured against the learning expectations in Ontario's curriculum. It reflects the overall scores on the Grades 3 and 6 reading, writing and math assessments.

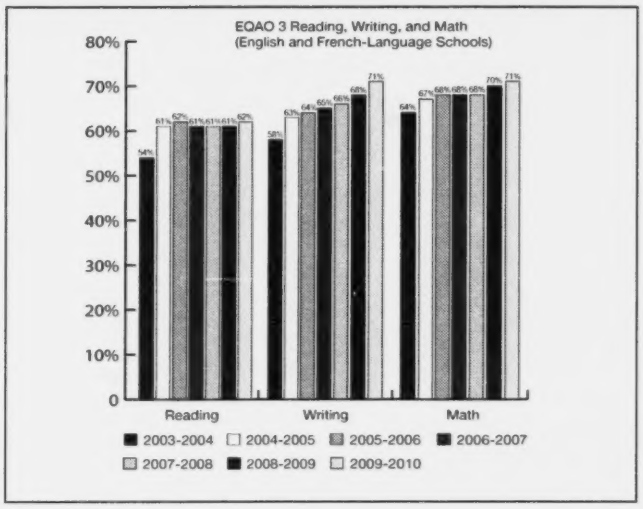
For the 2009–10 assessment year, 62 per cent of the Grade 3 students in reading, 71 per cent in writing, and 71 per cent in math were at or above the provincial standard on EQAO assessments.

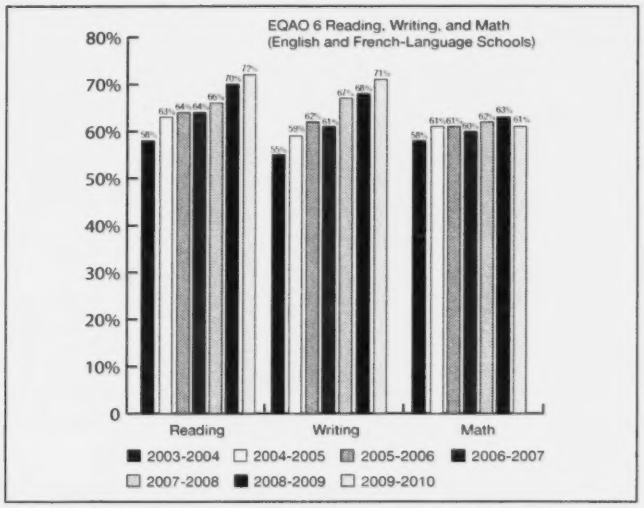
For the 2009–10 assessment year, 72 per cent of the Grade 6 students in reading, 71 per cent in writing and 61 per cent in math were at or above the provincial standard on EQAO assessments.

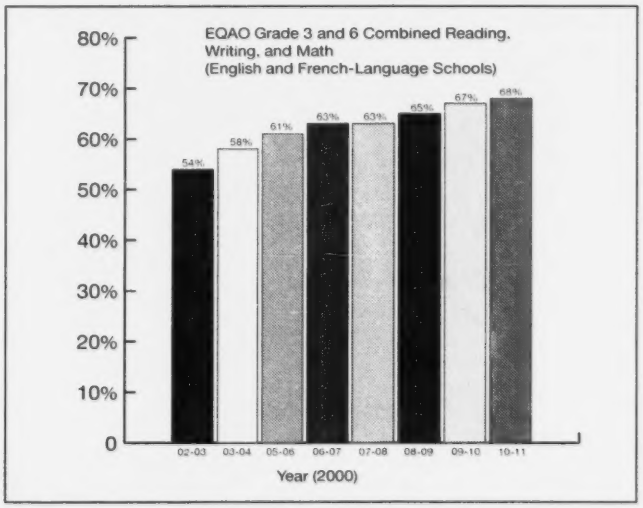
In 2009-10, 68 per cent of Grade 3 and Grade 6 students are mastering the reading, writing and math skills that will lead to success in high school, postsecondary education and the workforce. This is up from our 2008-09 baseline of 67 per cent and represents a 14 percentage point increase since 2002–03.

Since 2003, the government has reduced class sizes in the primary grades, increased teacher training and raised the graduation rate. Across Ontario, 400 new, publicly funded schools have been built or are underway. And this year, up to 35,000 four- and five-year-olds are in the Full-Day Kindergarten Program at almost 600 schools.

Helping students reach their full potential is also part of the Open Ontario Plan. Students who achieve early success in school are more likely to perform well later in school and go on to postsecondary education. This ensures that Ontario will have the skilled workforce to compete in the global economy.







Indicator 4: Birth Weights

Healthy children have more opportunity to succeed in virtually every aspect of life, and throughout their lives, from early childhood to adulthood.

This indicator represents the percentage of newborns born at a healthy weight for their gestational age. Research indicates that babies born to low-income families more often have below normal birth weights, which can put them at a higher risk for poor future health outcomes.

In 2007–2009, 80 per cent of Ontario-born babies were born at a healthy weight. This represents our baseline for future reporting and will be updated in 2012.[4]

Indicator 5: Low Income Measure

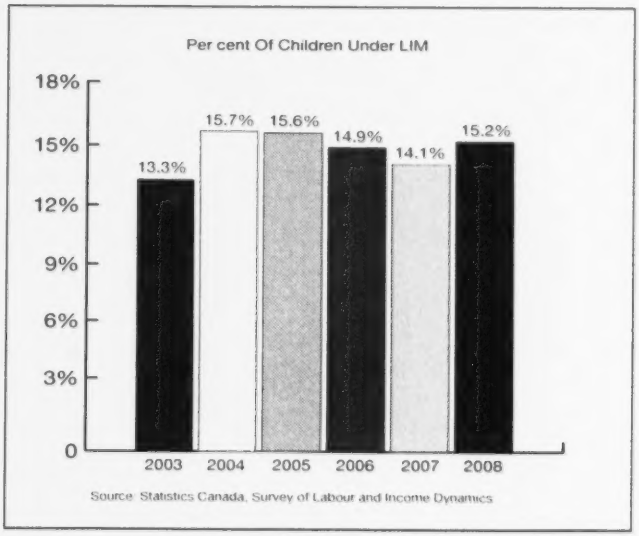
The Poverty Reduction Strategy uses Statistics Canada's Low Income Measure (LIM50) to assess progress in reducing child poverty. This measure is defined as the percentage of children under 18 living in a household with an income less than 50 per cent of the median adjusted household income in 2008. This year, Statistics Canada revised the method of calculating the LIM. Our 2008 baseline data, first reported this year, reflects this revised methodology and shows that 412,000, or 15.2 per cent, of children in Ontario were below the LIM50. In 2008, the LIM50 line for a single parent with one child was $26,279 and for a two-parent, two-child household was $37,164.

As we move forward, the LIM50 will be fixed to the baseline of 2008 and adjusted for inflation in future years. The immediate goal of the Poverty Reduction Strategy is to reduce the number of children living in poverty by 25 per cent over five years, that is 103,000 kids.

Low Income Measure Lines (LIM50 after tax)

Household Size	2008
1 person	$18,582
2 persons	$26,279
3 persons	$32,185
4 persons	$37,164
5 persons	$41,551
6 persons	$45,516

The chart below shows the trends using Statistics Canada's LIMs, which vary with changes in median income. The LIM50 rate for Ontario children declined steadily from 2004 to 2007. This declining trend reflected a strong and growing economy and increased provincial and federal transfers that helped those in poverty. However, the LIM50 rate for children increased in 2008 to 15.2 per cent, up from 14.1 per cent in 2007. Developing weakness in the labour market over the course of the year contributed to the increase in the LIM50 for children. The LIM50 rate also increased in 2008 for other groups, including seniors.

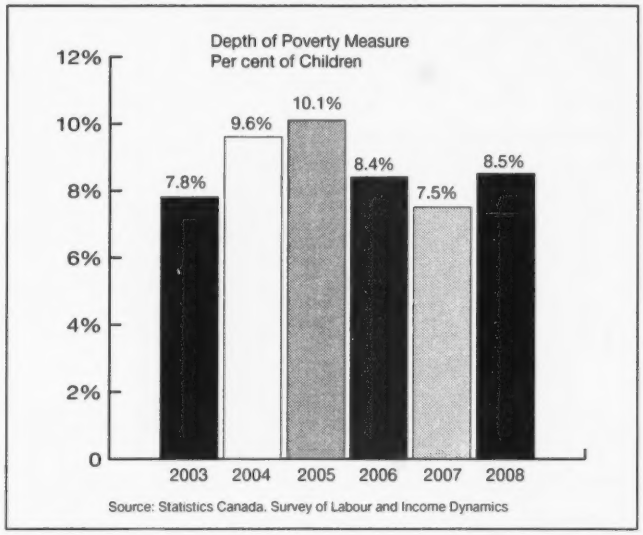


[4] Source: BORN ONTARIO (Niday Perinatal Database).

Indicator 6: Depth of Poverty

Families living in deep poverty are disadvantaged across many dimensions of life, and face severe challenges in building brighter futures for their children and breaking the cycle of poverty. This indicator tells us how Ontario's Poverty Reduction Strategy is improving the well-being of those who are most disadvantaged in our society.

This indicator is based on the Low Income Measure (LIM40). This represents the percentage of children under 18 living in a household with an income less than 40 per cent of the median adjusted household income. Based on this measure, in 2008, 230,000 children or 8.5 per cent of all children in Ontario were in deep poverty. Data for 2009 is expected to be released in June 2011.



Indicator 7: Standard of Living

Fighting poverty means looking beyond income and examining the realities of life for our most disadvantaged families and children. The Ontario Deprivation Index is a new measure that tells us what percentage of Ontario children are being raised in poverty. This measure puts Ontario at the forefront of measuring poverty and is believed to be the first of its kind in North America.

This indicator is a measure developed for the Poverty Reduction Strategy by the Caledon Institute and the Daily Bread Food Bank, in partnership with Statistics Canada and the Ontario government. The measure identifies a child as having a poverty-level standard of living if at least two out of the ten items in the index are missing in the child's household because the family cannot afford them.[5] It is a tool that brings important new insights to poverty measurement because it reflects the real life experiences of low-income Ontarians and captures dimensions of poverty that income alone does not, for example, social isolation. The index includes questions such as, "Are you able to get dental care if needed?" and "Do you have appropriate clothes for job interviews?"

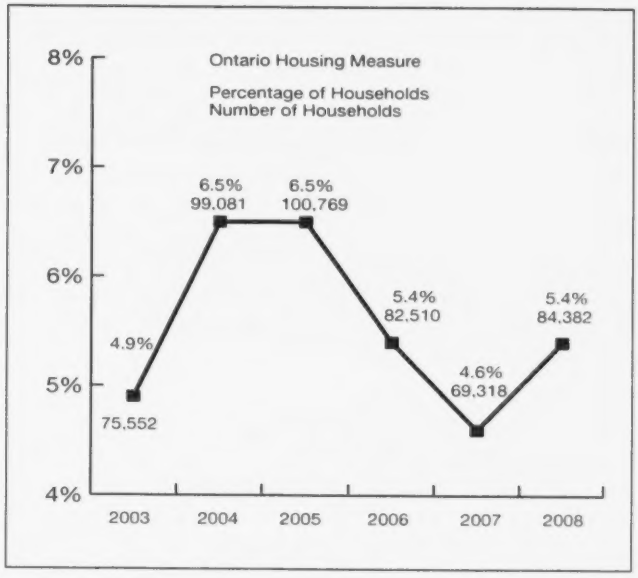
For 2008, 12.5 per cent of Ontario children were lacking two or more items. The first release was based on a special survey conducted by Statistics Canada in March and April, 2009. For future years, data for the Ontario Deprivation Index will be collected annually through Statistics Canada's Survey of Labour and Income Dynamics (SLID). As with the income indicators, the 2009 data will be available with an 18 month lag and will be reported in next year's annual report.

[5] For more information, please see Developing a Deprivation Index: The Research Process, available at www.dailybread.ca and www.caledoninst.org.

Indicator 8: the Ontario Housing Measure

Children have better chances to thrive and grow – emotionally, mentally and academically – when they live in safe, stable housing. This measure tells us how many low-income households with children have housing costs that are disproportionately high relative to household income, a factor that can affect children's ability to thrive and grow in a supportive environment.

The Ontario Housing Measure lays out the percentage of households with children under 18 that have incomes below 40 per cent of the median household income (LIM40), and spend more than 40 per cent of their income on housing. As with the other income measures, the 2008 Ontario Housing Measure reported here is the baseline. The 2009 data will be available with an 18 month lag and will be reported in next year's annual report.

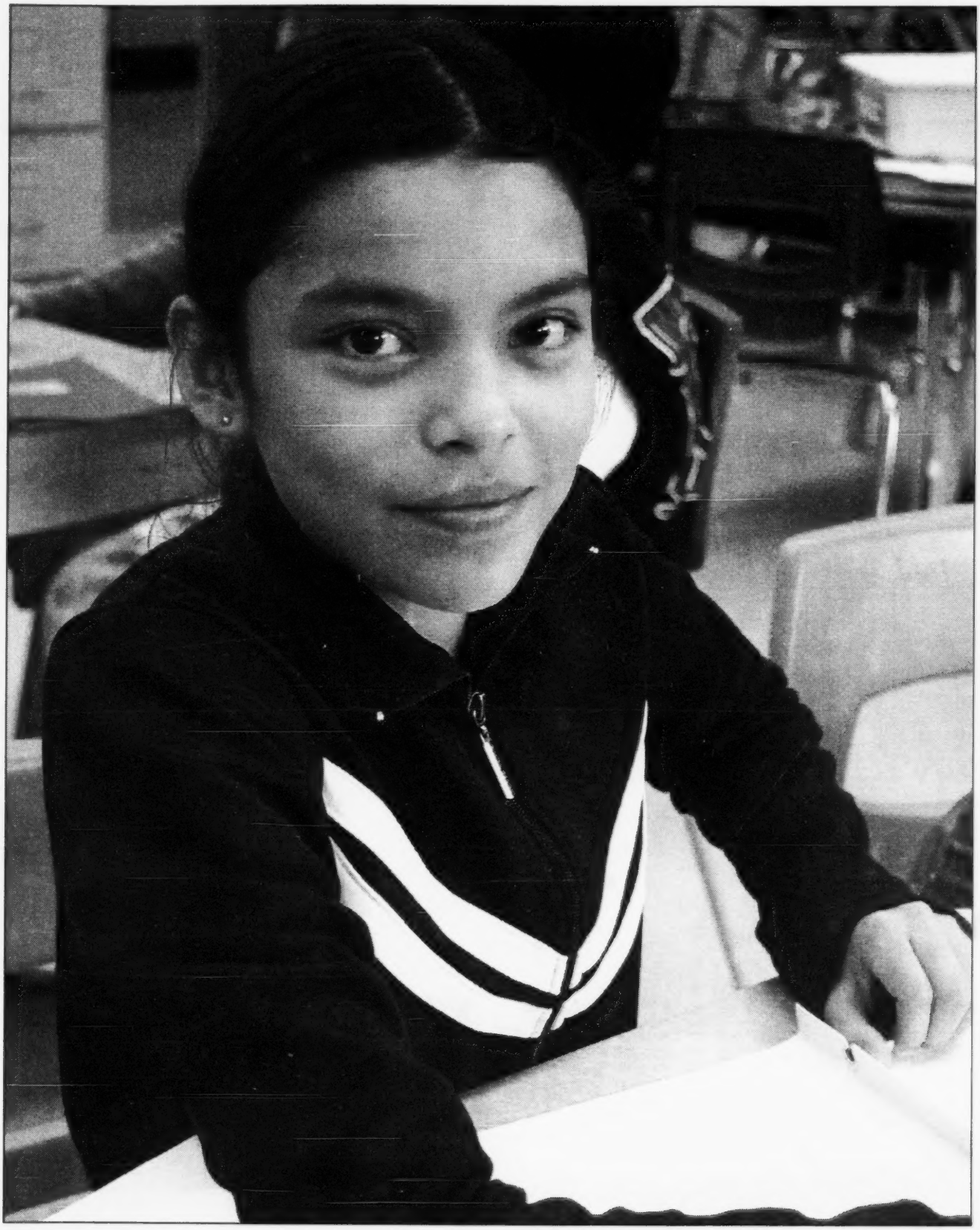


Making a Difference

Employment Training Program for Abused/ At-Risk Women

Carol had been unemployed and receiving social assistance for several years, as she struggled with the impact of abuse by her former spouse. She sought help from Nipissing First Nations who provided her, through their "True Self/ Debwewendizwin" program, with support for healing, employment-readiness training and subsidized access to postsecondary education. Carol completed training in practical nursing. Following graduation, Carol got a job as a practical nurse at the local hospital and no longer requires social assistance.*

**Name has been changed to protect the identity of the program participant.*



4. OUTLOOK

FOR 2011

Our commitment

Ontario's Poverty Reduction Strategy is a long-term commitment that is already improving the lives of Ontarians. Over the first two years, we have made significant progress on our commitments and have built a solid foundation. However, we know there is much more to do. We are realistic about the impacts of the economy on our indicators, but we remain committed to our goals and our strategy. We will continue working to provide opportunities for all Ontarians, and ensure that our communities and our province remain strong, healthy and prosperous.

Moving forward

As we enter year three of our five year plan, and anticipate Ontario's continuing economic recovery, we are confident that the stage has been set for continued and substantial progress.

- Ontario will continue to expand **Full-Day Kindergarten** across the province, to give young children the best possible foundation for educational success. Steps have already been taken to identify Phase Three schools.
- We look forward to implementing the new **Not-for-Profit Corporations Act, 2010** that will further empower not-for-profit corporations to do their vital work.
- The **Long-Term Affordable Housing Strategy** will help municipalities deliver results tailored to the specific needs of their local communities, steps will be taken to consolidate our fragmented housing system, and legislative reform will bring new and welcome flexibility to the system.
- The **Social Assistance Review** will take place over the next 18 months and we look forward to the advice of the commissioners undertaking this review.
- We will use the reports from the Select Committee on Mental Health and Addictions and the Minister's Advisory Group to inform the development of a **Mental Health and Addictions Strategy**.
- Building on the progress we have made on **dental care for children and youth from low-income families**, steps will be taken to integrate provincial low-income dental programs, providing more streamlined and better care for low-income Ontarians.
- The government is moving towards providing benefits on a more timely and regular basis. A new web portal will soon make it easier for people to find out what tax credits and benefits they can claim.
- The **Ontario Clean Energy Benefit (OCEB)**, announced this fall, will provide a ten per cent benefit to help consumers manage rising electricity prices for the next five years. The OCEB, which would help more than four million residential consumers and more than 400,000 small businesses, farms and other consumers, will take effect on January 1, 2011.
- The government has asked the Ontario Energy Board to work on a provincewide strategy to help low-income consumers manage their energy consumption and costs. The Ontario Power Authority will also develop a comprehensive electricity conservation program for low-income households, in coordination with the natural gas utilities. Through such conservation measures, low-income customers will be able to reduce their energy bills. This program will be rolled out in 2011.
- The **Task Force on Social Finance**, chaired by Ilse Treurnicht of MaRS and convened by Social Innovation Generation (SiG), will catalyze a national discussion on mobilizing private capital for public good. The Task Force's report will provide recommendations on opportunities for Canada's enterprising charities, not-for-profits, cooperatives and for-profit social purpose businesses to access social venture funds, new debt financing options, and other innovative impact investment funds. The Ontario government is looking forward to reviewing this report.

Better partnerships

Reaching our targets depends, equally, on the shared commitment of our partners. Together we can achieve more.

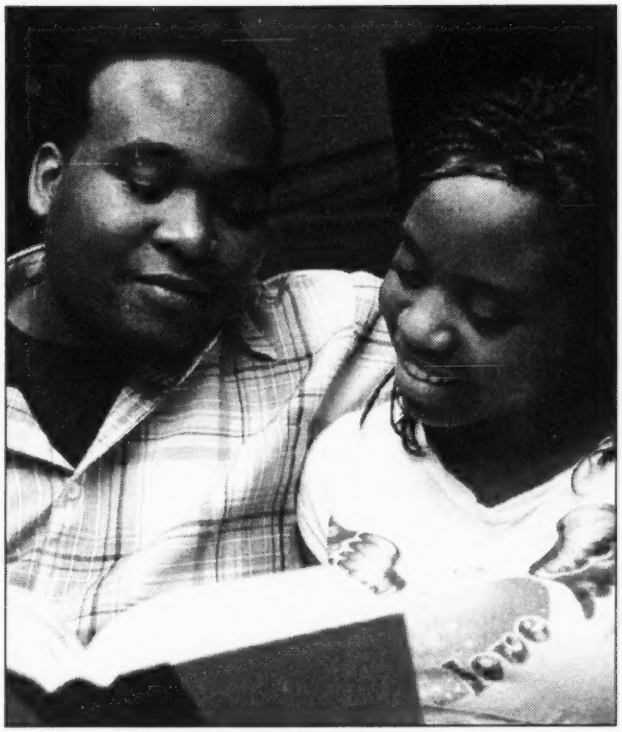
We acknowledge and support the valuable work being done in our communities and by dedicated not-for-profit organizations across Ontario. However, we continue to call on the Canadian government, which has a key role to play in strengthening many dimensions of the Poverty Reduction Strategy.

We need the federal government to be a better partner in supporting and funding critical infrastructure for Ontario workers, families, and the new economy. This includes ending federal practices of time-limited funding. Rather, Ontarians need to see stable, adequate funding in areas such as child care and early learning, skills training, and health care. It also means reinvesting in key data collection tools that provide vital information to maximize service and program delivery outcomes, especially for people living in or at risk of falling into poverty.

The federal government also needs to recognize that the current Employment Insurance Program does not address labour market conditions in Ontario or adequately support Ontario workers. We have voiced our concerns about the lack of fairness in Employment Insurance and the decision to discontinue the extended Employment Insurance benefits.

We encourage the federal government to follow up on the 2009 increase to the Working Income Tax Benefit for families by doubling this benefit from the original $1,000 level. And we support the recommendation of the Senate Subcommittee on Cities report concerning the need for Canada, the provinces and territories to work together and make lifting people out of poverty a common goal.

Finally, we acknowledge and encourage the efforts of many thousands of Ontarians who volunteer across the province and, in ways both large and small, make a profound contribution every day.

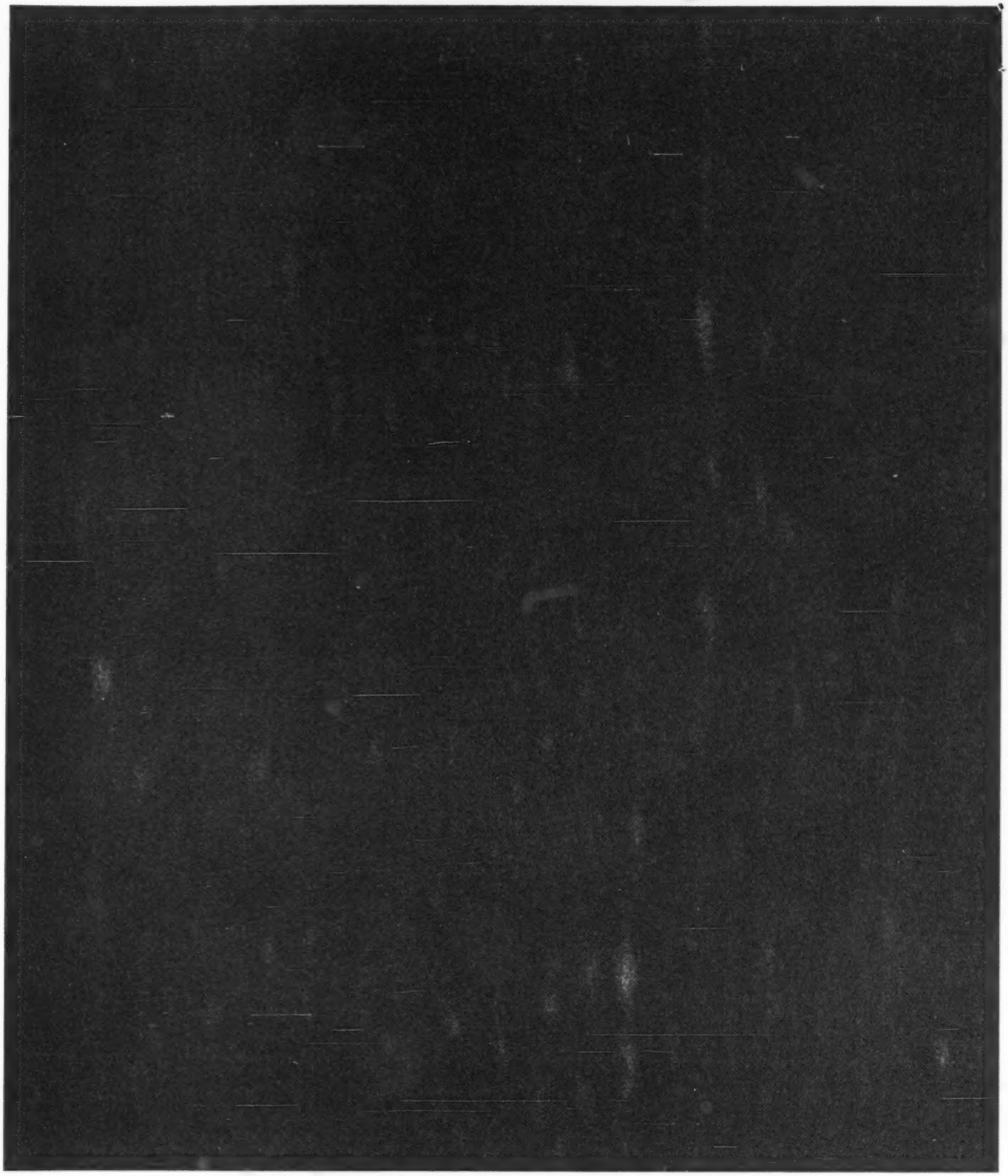


Conclusion

As Ontario looks at the challenges ahead, it is clear that we need all hands on deck. Global competition for good jobs, an aging workforce, and the need for high skills and productivity mean that our human capital is our most important resource. We simply cannot afford to waste the potential of any Ontarians today or in the future.

Investing in poverty reduction is the smart thing to do for Ontario's future growth and prosperity. Policies and programs that tackle poverty, such as better training and education, and early childhood education, lay the foundation for a smarter, better-equipped workforce that positions Ontario for the future.

We are confident in our Poverty Reduction Strategy; the foundations we have put in place during years one and two have helped set the stage for year three. And we anticipate another exciting year of achievements. We remain committed to clear and open reporting of our progress and look forward to communicating the results of our continuing work in 2011.



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